

# **WOMEN SELF HELP GROUPS AND SUSTAINABILITY INDICES: A STUDY OF SUCCESSFUL SELF HELP GROUPS IN URULI KANCHAN VILLAGE, PUNE DISTRICT**

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## **ABSTRACT**

*In India half of the population comprises of women but businesses owned and operated by them constitute less than 5%. This is the reflection of developing India on social, cultural as well as economic front. Women Self Help Groups in India are formed with a view to mobilize savings of poor and marginal sectors of society. This will help to eradicate poverty and strengthening of weaker sections of society. With this view Self Help Groups in Maharashtra are formed in the form of village organizations under the guidelines provided in 'Dashasutras'. Formation of self help groups is much easier process than to make them sustainable. This paper discusses about various indices which influence sustainability of self help groups. Those indices are leadership index, index of meeting, record keeping index, conflict index, goal clarity index. Each index factor is considered as index of sustainability. Using confidence interval method analysis mean of indices is calculated and conclusions are drawn.*

**Key words:** Dashasutras, confidence interval method, indices, self help groups, sustainability indices.

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## **1. INTRODUCTION**

“Increasing poverty has women’s face “as mentioned in the human development report 1995. The World Bank defines empowerment as “the increasing capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes”.

In India MYRADA (started in 1988) started self affinity groups in selected districts on experimental basis with funds from NABARD. Shramashakti report(year 1988) of National Commission of self employed women and women in informal sector and national perspective plan (year 1991-92) of Government of India suggested that there is a need for mediating body between self employed poor women and financial institutions. In the year 1996 Reserve Bank of India included lending to SHGs under priority sector lending. In 1999 lending to SHGs included in Swarna Jayanti Gram Swarajgar Yojana. In 2001 planning commission constituted Steering Committee and restructuring of SGSY was done in National Rural Livelihood Mission. It targeted poverty elimination through social mobilization, institution building, financial inclusion and portfolio of sustainable livelihood.

In India globalization and localization started simultaneously. Localization means decentralization of decision making. Decentralization is the bottom up flow of decision effecting ideas. SHG movement is one step towards this. Mobilization of savings from rural poor through SHGs is one of the efforts to bring the neglected parts of economy (informal economy) into main stream (formal economy).

Women SHGs are homogeneous groups which are bounded by affinity. They share responsibilities and authority. Through intra group and inter group interactions they achieve their objectives and remove obstacles to achieve their goals. By over viewing their journey from formation to maturity of sustainable SHGs various indices are drawn.

The basic idea behind forming a voluntary and homogeneous group which is bound by affinity is to share responsibility and authority between members so as to achieve their objectives and remove obstacles that would be difficult to achieve individually. Most significant impact of SHG movement among women is as follows:

- Increase in overall awareness level about their status and approaches for development.
- Social empowerment in terms of improvement in their confidence, self perception, communication skills and other behavioral changes.
- Participation in developmental activities.
- Decision making capacity at household level as well as community level has increased and become more meaningful.
- Bargaining and receiving capacity of rural women have increased thereby making socio-economic programmers and facilities more accessible to rural poor.

## 2. LITERATUE REVIEW

NABARD definition of SHG is “small homogeneous affinity groups of rural poor, voluntarily formed save and mutually contribute to a common fund to be lent to its members’ decisions.”

In this paper we have considered self help groups in a particular rural area and mainly formed by women and which are sustainable.

### 2.1. What is Sustainability?

The meaning of the word sustainability is similar to endurance. To endure with the challenges in the changing world. The organization should adapt to social, political, technological, cultural and behavioral transitions.

In case of SHGs it is observed very few of them are able to grow from micro-financial institutions to micro-entrepreneurship. This is mainly because banks do not lend large individual loans to SHG members. It is necessary to develop strong and stable bank linkage without any external support. In many cases SHGs are heavily dependent on their promoters like NGOs, government agencies and banks.

When sustainability of SHGs is considered means the group has to be strong within and should be highly adaptable to their external environment. Here strong within means must have strong leadership and ability follow SHG principles (Dash sutras).

Jaya Anand in her paper mentioned that absence of important determinants of group success like strong and stable relationship, group solidarity, clarity of goals of SHGs among members and co-operation and mutual understanding that leads to ineffective functioning causes group failure.

Research by Jad Van der Heijden indicates that further research is needed on sustainability of SHGs and their federations and there is a need to explore the role that federations exercise in asserting the demands and perceived needs of SHGs.

## 2.2. SHGs and their Life Cycle

In India SHGs are formed with different people with different purposes by different people. In this paper we are considering SHGs in a particular rural area and mainly formed by women. After studying successful SHGs following stages in their life cycle are guessed.

**Formation:** In this stage members come together. They are from same socio-economic background. They have common interests and ready to work together to achieve them.

**Introductory stage:** In this stage they are made aware of rules and regulations of the group. These rules are related to

- Deciding amount which is to be saved by each member per month.
- Various issues related to loans. They are interest on internal loan and bank loan and loan repayment schedule.
- Procedure related to admission and removal of members.
- Determining penalties for not attending meetings, irregular savings and non-repayment of loans.
- Election of members as a chairman, secretary and assigning other responsibilities to various other members.

All members on the agreement of above mentioned issues sign rules and regulations which is countersigned by chairman of the group.

**Nurturing of the group:** Members actually start working on their responsibilities and duties. They start interacting in the group. Very often conflicts arise in this stage because of group members' natural working style and nature. In this stage members may feel stress. This stage gives rise to strong relationship with their colleagues.

**Take off stage:** Group members start knowing each other. They start solving their differences with mutual understanding. They start respecting leader as an authority. Hence more commitment towards goal. There is more socialization so exchange of thought, communication and exchange of feedback is possible. This means group is in good progress stage.

**Maturity:** In this stage group achieve their goals. Leaders' tendency is to delegate her authority to work efficiently. Functioning of the group is very smooth. The group is self sufficient to resolve any crucial situation in the group. Along with financial activities financial activities they take initiative in social welfare and cultural activities. This group becomes sustainable and mature. While going through all these stages these groups experience group dynamics. This is mainly because of attitude and various behavioral patterns of individuals. On the basis of group dynamics various indices are designed. They play vital role so far as sustainability is concerned.

## 3. NEED AND IMPORTANCE OF THE STUDY

Employment and education are two prominent sources of economic independence for women to make them self reliant. Self employment through entrepreneurship is more convenient option because employment opportunities are very few and conditional. Women Self Help Groups is one step towards financial independence of poor women.

Formation of SHGs is very easy but making them sustainable is a big task. It is observed that SHGs need support of external agencies in each and every activity. This is because they are not strong within. To make them strong it is very important to study group dynamics of that group which we want to make

sustainable. This paper focuses on prominent characteristic index or indices of SHGs which play vital role in making them sustainable.

#### 4. STATEMENT OF A PROBLEM

This paper studies various sustainability indices of sustainable SHGs and it also tries to highlight important index or indices which make the group sustainable.

#### 5. OBJECTIVES OF THE STUDY

- To study indices of sustainable Self Help Groups
- To find out most important index or indices for sustainability of SHGs

#### 6. HYPOTHESES

H1: Effective leadership and sustainability has positive relationship.

H2: Good communication among group members and conflict has inverse relationship.

#### 7. RESEARCH PROBLEM

Only successful and sustainable SHGs which are registered in the year 2010 and still working are chosen. 50 groups are chosen by using convenience random sampling method from rural area. All these groups are from Uruli Kanchan Grampanchayat and are registered with Panchayat Samiti Haweli.

Data collection is done by filling up questionnaires from randomly selected one member from each SHG. Confidence interval method is used for analysis of the data. Confidence interval can be used to check the reliability of the survey results. Confidence interval consists of range of values that gives good estimates of unknown population parameter. Here the interval computed from particular sample that may not necessarily include the true value of parameters. Therefore confidence interval is stated as 95%.

#### 8. RESULTS AND DISCUSSION

Structured questionnaire is constructed for each index and it has got filled by SHG members personally. Group dynamics is present because of attitude and various behavioral patterns of individuals. on the basis of group dynamics various indices are designed. Their importance in sustainability is analyzed by giving value to each answer option. They are as follows:

##### 8.1. Leadership Index

Does leader works with you and narrates you the importance of SHG?

Strongly agree	Agree	Disagree	Strongly disagree
2	1	-1	-2

Does leader help you understand importance of regular meetings?

Strongly agree	Agree	Disagree	Strongly disagree
2	1	-1	-2

Does leader treat you with respect and dignity?

Strongly agree	Agree	Disagree	Strongly disagree
2	1	-1	-2

Does leader help you and guide you in livelihood options?

Yes	No
1	-1

Are leadership responsibilities shared with others?

Yes	No
1	-1

**Interpretation:** Statistical calculation shows that the mean for leadership index is 0.72. There is a deviation from ideal value of mean that is 1 which not very high but it is remarkable.

## 8.2. Meeting Index

How frequently do you meet?

Weekly	Fortnightly	Monthly	Irregularly
4	3	2	1

What is the attendance of each member for last 3 months?

90% to 100%	90% to 80%	80% to 70%	Below 70%
4	3	2	1

What is your percentage of participation in discussion on various issues?

70% to 80%	60% to 70%	50% to 60%	Below 50%
4	3	2	1

What is your regularity in saving?

90% to 100%	90% to 80%	80% to 70%	Below 70%
4	3	2	1

Do you charge any penalty for irregular savings?

Yes	No
1	-1

Is there consistent monitoring and follow upon commitments made during meeting of the group?

Yes	No
1	-1

**Interpretation:** As per statistical calculations meeting index is 0.97. Standard value for mean is 1. This index is very such close to 1. So meeting index is very important for sustainability of the group.

## 8.3. Record keeping Index

How many types of record do you maintain?

Two	Three	Four	Five

Here the answer is fixed and compulsory for all SHGs and it is Four. So values for answers are not given.

Who maintains your record?

Leader	Secretary	Person appointed by leader
1	1	1

Are all the entries up to date?

Yes	No
1	-1

**Interpretation:** Statistical calculations give mean value for record keeping index as 1. There is not at all deviation from mean. This shows that record keeping has to be perfect for SHG to be sustainable.

## 8.4. Conflict Index

What is the frequency of conflict creating situation?

Frequently	Sometimes	Never
2	1	-1

What are the causes of conflict?

Financial	Interpersonal	Other
1	1	1

Are your conflicts solved timely?

Yes	No
1	-1

**Interrelation:** Mean for conflict index is -0.0267. Standard value for mean is 1. This index is very low therefore there is a vast deviation. This indicates that conflict has to be low for sustainable group.

### 8.5. Decision making Index

How is decision taken in the group?

Leader and secretary are decision makers	Dominant ladies are decision makers	Every member is involved in the process
2	1	3

How do you feel about the decision in the group?

Tensed	Satisfied
-1	1

**Interpretation:** From the statistical calculations mean for decision making index is 1. Standard value of mean is 1. There is a zero deviation. This means that this index is very important for sustainability.

### 8.6. Goal Clarity Index

Why have you participated in the group?

Consumption needs	Savings	Economical growth
1	3	2

What have you achieved through SHG?

Habit of regular savings	Economical upliftment of family	Loan	All of given options
3	2	1	6

**Interpretation:** Mean for the goal clarity index is 1. This index does not deviate. This means this index is must for the sustainability of the group.

### 8.7. Group Climate Index

What do you do to maintain unity in the group?

Under standing problems of group members	Organizing various cultural programs	Helping needy people	All of the above
3	1	2	6

How do you feel while performing duties towards your group?

Satisfied	Sad	Tensed
1	-1	-1

Does every member feel free to give feedback to other members regarding their working style?

Yes	No
1	-1

Does your cultural and emotional backgrounds are assets towards your group?

Yes	No
1	-1

**Interpretation:** As per statistical calculations mean for group climate index is 0.81 . Ideal mean value is 1. There is a deviation of this index from ideal mean value. This is low deviation. This is also important index for sustainability of the group.

## 8.8. Communication Index

Does everyone feel free while expressing opinions in the group?

Yes	No
1	-1

Are individual opinions respected?

Yes	No
1	-1

**Interpretation:** As per statistical calculations communication index is 1. Ideal value for this index is 1. This means that there is no deviation at all. This indicates that smooth communication in the group is the necessity for sustainability.

## 9. FINDINGS

This research paper reveals certain facts regarding sustainable SHGs. Dominant attributes shown by sustainable SHGs are as follows:

- There is regularity in meeting conduction.
- Decision making process involves each member in the group.
- Everyone is aware of and has complete knowledge of individual goal and group's goal.
- There is a smooth communication within the group.
- Leaders are performing their job satisfactorily.
- They follow proper monitoring process.
- There is very low level of conflicts.

## 10. CONCLUSION

This paper tried to focus on the important factors of SHGs which are responsible for there sustainability. Required information is collected from SHG members in a particular rural area of Pune district which are formed in the year 2008 and still functioning properly with increase in their profit margin. This paper sheds light on various indices which play vital role to make them sustainable. The study reveals that sustainability of the group depends upon proper leadership. Thus it proves that there is a positive relationship between leadership and sustainability. Sustainable SHGs has very low conflict index which is -0.0267. Thus there is an inverse relationship between sustainability and conflict index. These findings prove that both the hypotheses.

Other findings show that most essential sustainability indices are recordkeeping index, decision making index, goal clarity index, communication index which have mean value 1 . Meeting index also can be considered as most essential because it has mean value as 0.97 which is almost 1. Necessary index is group climate index which has mean value as 0.81. Monitoring index and leadership index has mean values 0.71 and 0.72 and therefore they are important indices.

### 10.1. Limitations of the Study

This study is limited to Uruli kanchan village of Pune district.

## 10.2. Scope for Further Study

- This study is conducted for the single village in Pune district but this can be done for entire rural area of Pune district.
- This study can be applied to urban SHGs also.

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## APPENDIX/ANNEXURE

### Questionnaire

#### *Leadership Index*

Does leader works with you and narrates you the importance of SHG?

- a) Strongly agree b) Agree c) Disagree d) Strongly disagree

Does leader help you understand importance of regular meetings?

- a) Strongly agree b) Agree c) Disagree d) Strongly disagree

Does leader treat you with respect and dignity?

- a) Strongly agree b) Agree c) Disagree d) Strongly disagree

Does leader help you and guide you in livelihood options?

- a) Yes b) No

Are leadership responsibilities shared with others?

- a) Yes b) No

#### *Meeting Index*

How frequently do you meet?

- a) Weekly b) Fortnightly c) Monthly d) Irregularly

What is the attendance of each member for last three months?

- a) 90% to 100% b) 90% to 80% c) 80% to 70% d) Below 70%

What is your percentage of participation in discussion on various issues?

- a) 70% to 80% b) 60% to 70% c) 50% to 60% d) Below 50%

What is regularity in savings?

- a) 90% to 100% b) 90% to 80% c) 80% to 70% d) Below 70%

Do you charge any penalty for irregular savings?

- a) Yes b) No

Is there consistent monitoring and follow up on commitments made during meeting of the group?

- a) Yes b) No

#### *Record Keeping Index*

How many types of records do you maintain?

- a) Two b) Three c) Four d) Five

Who maintain your records?

- a) Leader b) Secretary c) Persons appointed by secretary

Are all entries upto date?

- a) Yes b) No

#### *Conflicts Index*

What is the frequency of conflicts creating situation?

- a) Frequently b) Sometimes c) Never

What are the causes of conflict?

- a) Financial b) Interpersonal c) Other

Are your conflicts solved timely?

- a)Yes    b) No

***Decision making Index***

How is decision taken in your group?

- a) Leader and secretary are decision makers    b) Dominant

How do you feel about the decision of the group?

- a) Tensed    b) Satisfied

***Goal clarity Index***

Why have you participated in the group?

- a) Consumption needs    c) savings    d) Economical growth

What have you achieved through SHG?

- a) Habit of regular savings    b) Economical upliftment of family    c) Loan    d) All of the above

***Group climate Index***

What do you do to maintain unity in the group?

- a) Understanding problems of the group    b) Organizing various cultural programs    c) Helping needy people    d) All of the above

How do you feel while performing duties towards your group?

- a) Satisfied    b) Sad    c) Tensed

Background style?

- a)Yes    b) No

Does your cultural and emotional background is an asset towards your group?

- a)Yes    b) No

***Communication Index***

Does everyone feel free while expressing opinions in the group?

- a)Yes    b) No

Are individual opinions respected?

- a)Yes    b) No